

**RETURN TO CIA**  
Background Use Only  
Do Not Reproduce

<b>DISPATCH</b>		CLASSIFICATION <b>SECRET</b>	PROCESSING	
			INFO	ACTION
TO Chief of Station, Ottawa			X / SEARCH FOR INDEXING NOT INDEXING RECORD	
INFO			X / ONLY QUALIFIED HEADQUARTERS DESK CAN INDEX INDEXING	
FROM Deputy Chief, WH/SA			X / APPROVAL INDEXING	
SUBJECT Operational/TYPIC/AMMUG AMMUG/1 - Money Held by (SMAROVE)		B471	X / REF FILE	
ACTION REQUIRED REFERENCES ACTION: As Stated			X / SEARCH FOR INDEXING NOT INDEXING RECORD	
REF: OCOA 7762, Dated 1 May 1964			X / ONLY QUALIFIED HEADQUARTERS DESK CAN INDEX INDEXING	
<p>1. As you will recall, at the time of AMMUG/1's defection, <sup>01</sup> he had with him \$2,500 (U.S.) which was retained by the (SMAROVE's) because their (foreign) office believed that this might have to be turned back to the PERUMEN government upon request. Although the foregoing position hardly appeared consistent with (SMAROVE's) <sup>01</sup> surrender of documents and files which even more clearly were the property of PERUMEN, you and LANGOSCH agreed that KUBARK's interests would be served best by taking the documents and the person and by not quibbling about the holding of the money.</p> <p>2. In the absence of any news to the contrary, it appears that PERUMEN has not claimed the money and has no intention of doing so. Accordingly, it would appear that (SMAROVE) may be willing to turn over the \$2,500 now. <sup>01</sup></p> <p>3. As matters stand, KUBARK has turned over \$2,500 to AMMUG/1 but our tax unit considers that this must be treated as taxable income. Hence, in order that AMMUG/1 may net \$2,500, the payment here must be charged to \$3,010. This will include the tax payment (and the tax on tax) but the total tax of \$310 will be held by the Finance Section until time for filing. If you could recover the \$2,500 held by (SMAROVE) <sup>01</sup> no tax problem will be encountered and administrative headaches will be avoided at the Ides of March. <sup>01</sup></p> <p>4. Your efforts to recover the \$2,500 from (SMAROVE) will be appreciated. Please notify headquarters of (SMAROVE's) decision. It is left to you to decide the opportune time to raise the matter which, of course, could coincide with furnishing (SMAROVE) with results of debriefing AMMUG/1. <sup>01</sup></p>				
KENNETH H. PHILBROOK				
Distribution: 3 - COS, OTTA		STENOGR. #. ROLINIC		
		DATE TYPED	DATE DISPATCHED	
		DISPATCH SYMBOL AND NUMBER		
		(OCOA) 4792 HEADQUARTERS FILE NUMBER		
		CLASSIFICATION		
SECRET		ORGANIZING 10 6 102/3		
OFFICE - OFF CEN - TYPIST		CAT		
WH/SA/CI Harold F. Swenerton swit		6471		
OFFICE SYMBOL DATE ORG. CEN. NAME				
WH/SA/CI				
WH/SA/EOR				

- 1 - WH/SA/ESEC  
1 - WH/SA/CI  
1 - RID Files  
1 - WE/EC/C

9/17/